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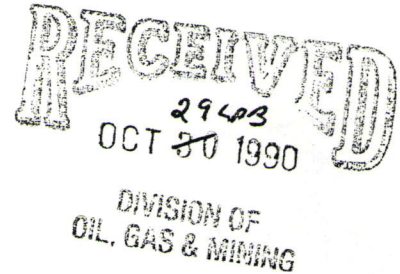
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cc T. Mitchell
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JAMES R. HAISLEY
328-6026

October 29, 1990



HAND DELIVERED

Mr. Lowell Braxton
Associate Director, Mining
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Western States' Objection To Petition For
Commencement of Informal Proceedings, Cause No.
M/027/007

Dear Mr. Braxton:

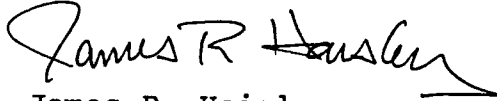
Enclosed is Western States Minerals Corporation's ("Western States") Objection To Petition For Commencement of Informal Proceedings. Western States objects to Jumbo Mining Company's ("JMC") Petition because the Petition would require the Division to adjudicate issues which are involved in a lawsuit between Western States and JMC which is now pending in the District Court of Jefferson County, Colorado. This lawsuit will resolve the contract dispute between Western States and JMC concerning, among other things, the reclamation responsibilities arising out of contract obligations between the parties for certain mining properties in Juab and Millard Counties, Utah, including the Drum Mine. A copy of the complaint filed in the Colorado court is enclosed for your review.

Because of the lawsuit pending in Colorado and the need to avoid inconsistent results, an informal hearing and administrative review of the issues raised in JMC's Petition is inappropriate at this time. However, if the Division chooses to go forward with an informal hearing, Western States intends to participate and proposes that the hearing be scheduled after the Thanksgiving holiday. In order to provide all of the parties an opportunity to prepare for the adjudicative proceeding, Western States suggests that JMC file a memorandum of points and authorities approximately two weeks prior to the hearing date. Western States would then prepare and file its response to JMC's memorandum one week before the hearing. Please contact either Steve Alfors, in Denver, or me to discuss the proposed schedule.

Mr. Lowell P. Braxton
October 29, 1990
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Thank you for your assistance in this matter.

Very truly yours,


James R. Haisley

JRH/sj
Enclosure

cc: Stephen D. Alfers
Steven E. Clyde

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DIVISION OF
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Attorneys for Western States
Minerals Corporation

BEFORE THE DIVISION OF OIL, GAS AND MINING,
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF THE REQUEST)	OBJECTION TO PETITION FOR
FOR AGENCY ACTION AS FILED BY)	COMMENCEMENT OF INFORMAL
JUMBO MINING COMPANY, DRUM)	PROCEEDINGS
MINE, MILLARD COUNTY, UTAH)	
)	Cause No. M/027/007

On October 19, 1990 Jumbo Mining Company ("JMC") petitioned the Utah Division of Oil, Gas and Mining (the "Division") to commence an informal adjudicative proceeding contemplated by Utah Admin. Code R613-005-104 (1990). In its Petition for Commencement of Informal Proceedings to Review Division's Denial of Permit Amendment (the "Petition"), JMC named Western States Minerals Corporation ("Western States") as a person to whom Notice of Agency Action should be given.

The purpose of this informal adjudicative proceeding is to determine, among other things, reclamation responsibility for mining properties located in Millard County, Utah, including the Drum Mine (the "Drum Mine"). Western States is currently involved in a dispute with JMC over the same issue, and to determine that issue, Western States has filed a lawsuit in the District Court of Jefferson County, Colorado. This lawsuit involves claims arising out of an Option Agreement between Western States and JMC's predecessor in interest, Asoma (Utah) Inc., and a Quitclaim Deed and Assignment by which JMC has acquired an interest in mineral properties in Juab and Millard Counties, Utah, including the Drum Mine. Specifically, Western States has asked the Colorado Court to determine that JMC is responsible for all reclamation on the Drum Mine. However, in the informal adjudicative proceeding requested, JMC seeks to obtain mining permits for only a portion of the Drum Mine. The Division should take no action to allow JMC to operate on any part of the Drum Mine until the Colorado court resolves the reclamation responsibilities as contemplated by the underlying contracts between the parties.

For these reasons, Western States objects to the petition filed by JMC. The issues raised in JMC's Petition relating to the allocation of reclamation obligations will be resolved by the Colorado court, and therefore it is inappropriate for the Division to adjudicate these issues. For these and other reasons, Western States objects to the Petition and respectfully

requests, pursuant to Utah Admin. Code R613-005-006, et seq. (1990), the opportunity to participate in the informal adjudicative hearing, if one is held, and any and all other adjudicative proceedings before the Division of Oil, Gas and Mining in Cause No. M/027/007.

DATED this 29th day of October, 1990.

DAVIS, GRAHAM & STUBBS

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Attorneys for Western States
Minerals Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OBJECTION TO PETITION FOR COMMENCEMENT OF INFORMAL PROCEEDINGS was served by depositing same in the United States mail, first class postage prepaid, on the 29th day of October, 1990, addressed to the following:

Jumbo Mining Company
Mr. E. B. King
6305 Fern Spring Cove
Austin, Texas 78739

Attorney for Jumbo Mining Company
CLYDE, PRATT and SNOW
Steven E. Clyde
200 American Savings Plaza
77 West 200 South
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